

Arizona Ready Funding Taskforce

Guiding Principles

1. Schools should drive improved student achievement and academic growth so that by 2020 more than 93% of Arizona students graduate from high school college and career ready
2. The state should structure its budget to most efficiently utilize its resources and to drive action at the local level that improves student achievement
3. The state should pass/repeal statutory and regulatory requirements that promote/discourage thoughtful activity at the local level that improves student achievement
4. Local flexibility with regulatory requirements and the use of funds should be based on local performance
5. The state should reform the facets of the school finance system that are most prone to fraud, waste, and abuse
6. That state should move toward a school finance system that is nimble, can easily be updated, and allows for innovation at the local level

Context

The current school finance system allocates the vast majority of its resources based on a school's enrollment during the first 100 days of the school year. Of what schools receive, 60%-80% is spent on salaries and benefits for teachers and staff that are largely determined by years of experience and educational attainment, both of which are not correlated with student achievement and academic growth.

Other than the pressures created by school choice, the school finance system provides no direct incentives for schools to increase student achievement and academic growth. Arizona must plot a workable path to a school finance system that rewards schools both for increasing enrollment **and** increasing student achievement and academic growth.

Recommendations Presented to the Taskforce

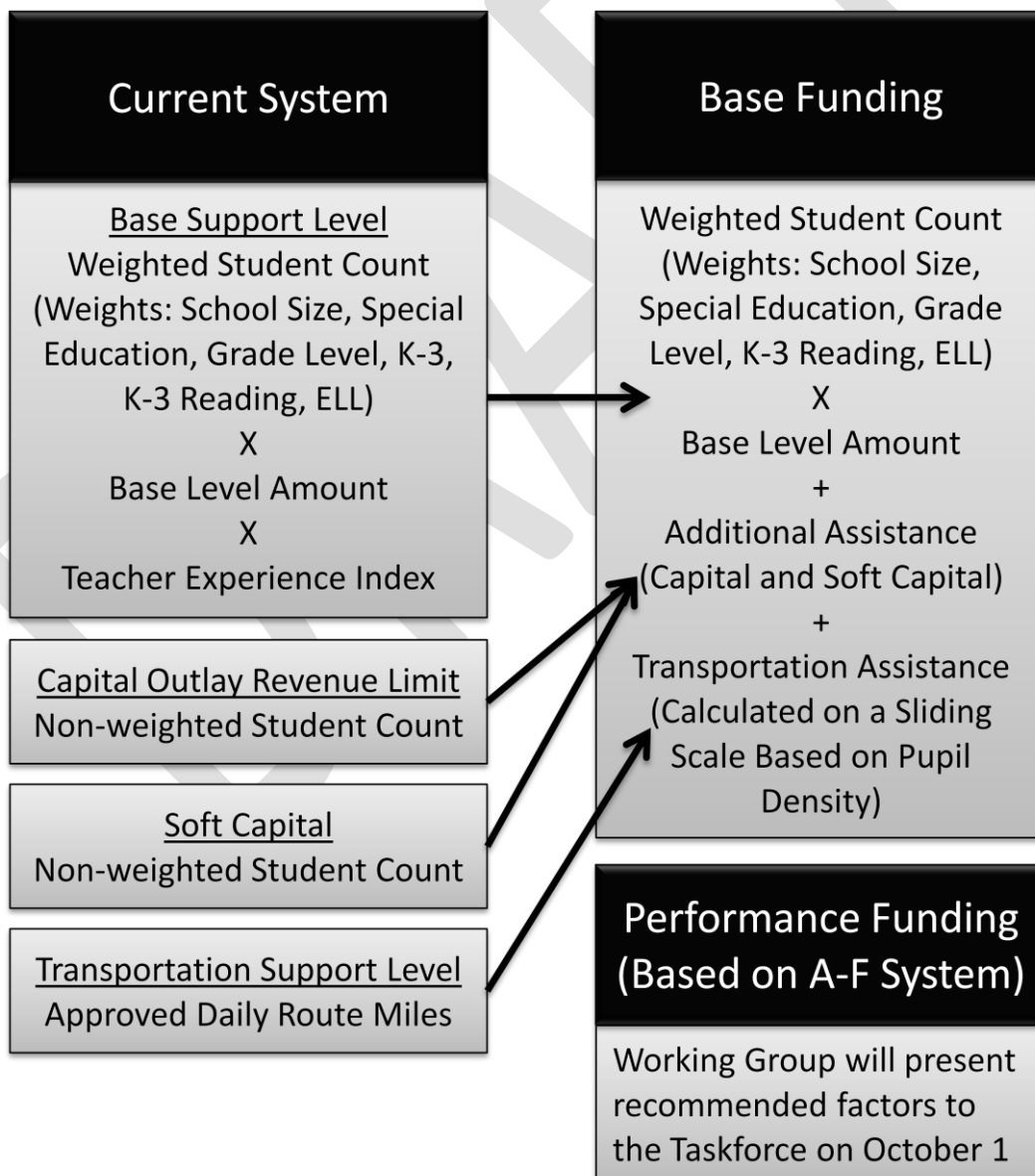
Below are the 11 recommendations presented to the Arizona Ready Funding Taskforce. At the last meeting, the taskforce directed staff to focus on developing an overall funding framework focused on outcomes. Staff convened a working group that will help to develop an overall funding framework based on the ideas behind the four highlighted recommendations. Namely, (1) reallocating funds to provide performance-based incentives to schools, (2) basing incentives on an improved, output-based A-F system, and (3) tailoring flexibility with regulatory requirements and the use of funds based on local performance

1. Over a set period, repeal the Teacher Experience Index and the 1.25% base level increase for school districts that implement teacher evaluations and allocate those funds according to measures more correlated with student achievement and academic growth.
2. Provide schools with a bonus for every AP and IB Exam a student passes.
3. Provide a per-pupil performance incentive to 'A' schools and to schools that move up one grade level year-over-year who also meet certain benchmarks tied to the Arizona Ready Goals.
4. For 'C,' 'D,' and 'F' LEAs, make the optional 200 day school year more financially feasible.
5. Create a workable outcome-based funding pilot program
6. Create another pilot program to encourage districts to move principal and teacher compensation structures away from steps and lanes to one more closely aligned to performance, market demand, and workloads
7. Request ADE to publish and disseminate productivity charts

8. Request a study of ADE's federal administrative and indirect funds in order to better leverage those dollars
9. Require school districts to clearly highlight their district grade in their bond election publicity pamphlets
10. Prohibit AOs from receiving funding during the summer months for a student who has generated a full ADM during the previous school year
11. Separate the budgets for district-sponsored charter schools from their districts' budgets

Proposed School Funding System (Operating-Side Only)

The proposed school finance system focuses only on the operating-side of school finance and would affect both a school's funding level and its flexibility of operations. It is important to note that sufficient resources continue as base funding so that all schools have an opportunity to succeed. Base funding would be enrollment-based and be a simple allocation to districts with few strings attached. The working group will present factors to be considered for performance funding at the October 1 meeting.



Requirements for Schools/Districts Based on Performance

A performance-based system would tailor a school or district's autonomy with decisions regarding curriculum, resource use, and instructional time based on local performance.

School Grade	Requirements
C	Provide the State with a Strategic Plan on How it will Align Curriculum, Resources, and Instructional Time to Address Areas of Academic Weakness
D	Be Assigned an Academic Crisis Team to Align Curriculum, Resources, and Instructional Time to Address Areas of Academic Weakness
F	Have Leadership Replaced with Leadership from a Top-Performing District or Charter School

District Grade	Requirements
C	<ol style="list-style-type: none"> 1. Report on the Structure and Outcomes of its Teacher Evaluation System 2. Assess School Environments through Student Surveys and Teacher Conditions Surveys 3. Report on Chronic Absenteeism
D (C Districts with Significant Numbers of D Schools)	<ol style="list-style-type: none"> 1. Have Teacher Evaluation System Approved by the State 2. Reform How Teacher Raises are Calculated 3. Assess School Environments through Student Surveys and Teacher Conditions Surveys 4. Report on Chronic Absenteeism
F	<ol style="list-style-type: none"> 1. Have Executive Leadership Replaced with Leadership from a Top-Performing District or Charter School 2. Have Teacher Evaluation System Approved by the State 3. Reform How Teacher Raises are Calculated 4. Assess School Environments through Student Surveys and Teacher Conditions Surveys 5. Report on Chronic Absenteeism

Questions for the Taskforce:

1. Should the Taskforce recommend any changes to how base funding is calculated, like changing the weights or the transportation formula?
2. Which current state requirements placed on high performing schools and districts should be removed?
3. How should the state intervene in poorer performing schools and districts?